

Gov. Nixon's remarks at Higher Education Summit Dinner

Once again, thank you for joining your colleagues and me this evening for this higher education summit meeting.

I asked you here for two reasons.

First, having you over for dinner gives me the chance to personally thank you for your **extraordinary** efforts of the past two years.

During some of the most tumultuous economic times in memory, you agreed to hold the line and keep tuition flat for two consecutive years.

No one else in the country managed to do what we have done.

At the same time, all around us, public and private universities were increasing tuition - often by double digits and sometimes by as much as 30 percent. Missouri stood apart from the pack and stood up for affordability and improved student access.

It's not an exaggeration to say that for **thousands** of Missouri families, you kept the dream of a college education alive.

As a result, enrollments surged, creating the challenge of educating **more** students with **fewer** resources. You met that challenge with careful planning, creative problem-solving and old-fashioned elbow grease.

On behalf of all those Missouri families and kids, whose dreams you fulfilled, thank you for doing your job so well.

My second reason for calling you together is to let you know my expectations for 2012 and beyond.

The presentations you heard this afternoon from Budget Director Linda Luebbering, Dr. Carol Twigg and Dewayne Matthews reflect some of my priorities, and provide context for my charge to you tonight.

As Linda explained earlier, about \$900 million of federal stabilization funds for Missouri will run out at the end of this fiscal year.

Even with the additional federal health care money that was just approved by Congress, we are looking at an overall budget gap in fiscal year 2012 of 400 to 500 million dollars.

Although we're starting to see an uptick in the economy - including six straight months of job growth - the pace of the recovery is expected to be slow.

And it certainly will not be robust enough to close the gap between revenue and expenses for at least a few more years.

Because of some tough decisions we made in Missouri over the past couple of years, we have not suffered the catastrophic problems experienced by other states from California to New York.

In the 20 months that I have been Governor, I have restricted or vetoed \$1.5 billion in spending; eliminated twenty-five hundred positions; and reined in expenses across state government.

That fiscal discipline has paid off. We have kept our budget in balance and Missouri is the only state in the Midwest with a spotless Triple A credit rating from all three credit rating agencies.

Contrast that to our neighbor to the east. Illinois is buried in a 13 billion dollar budget hole, and the state owes its public colleges and universities more than a billion dollars.

But while Missouri is weathering the economic downturn better than many others, state revenue is expected to lag for some time.

That means that the potential cuts in FY 2012 across state government - including higher education - will be **substantial**.

Given these fiscal realities, I understand that tuition increases may be necessary at your institutions for the 2012 academic year.

But at the same time, we need to acknowledge the financial strain that many Missouri families are experiencing. I know you share my concern about the rising cost of higher education, and the levels of debt that some students take on to pay for their education.

Tuition increases must be reasonable, so that we can maintain the quality education our students deserve, at a price their families can afford. Any tuition changes must follow the guidelines set by Missouri's Higher Education Student Funding Act.

I also want to share with you what I believe Missouri's institutions of higher education need to accomplish **now** to stand us in good stead for the future.

Missouri has a proud history of leadership in higher education - both public and private. St. Louis University, founded in 1818, is the oldest university west of the Mississippi.

The University of Missouri, founded in 1839, is the first public university west of the Mississippi.

Today, Missouri is one of the few states that can claim two member institutions in the prestigious Association of American Universities. They are the University of Missouri at Columbia and Washington University in St. Louis.

I'd like to thank Chancellor Mark Wrighton for being with us this evening. Under his leadership, Washington University has become one of the most influential research institutions in the nation.

Missouri should be proud of Washington University's perennial ranking as one of the top American research universities.

Likewise, for its part, the University of Missouri ranked number 2 among all institutions in the Association of American Universities in the growth of federal research funding between 1995 and 2005.

Like all of you here tonight, I am deeply committed to **strong public education**. I am a product of Missouri's public education system, as are all the members of my family.

Today, higher education is at a crossroads - not just in Missouri - but across America. To survive and thrive, higher education must make fundamental changes in its business model, including how instruction is delivered, how degree programs are organized, and how remedial education is achieved.

The higher education agenda for Missouri must focus on ambitious goals that are attuned to the workforce needs and economic development opportunities of our state.

At the same time, our agenda will be tempered by the economic constraints under which we will continue to operate for some time.

Against this backdrop, I am calling on you to adopt an agenda focused on four key areas:

- First: attainment;
- Second: academic program review;
- Third: cooperation and collaboration;
- and Fourth: funding.

First, let's talk about attainment.

If Missouri's children are to keep pace with their peers around the world, we must dramatically ramp up the preparation we give them - from pre-school through graduate school.

While Missouri institutions of higher education must continue to enroll more students who are well-prepared to succeed in college, our sights must be focused on promoting attainment.

We want more students in our institutions with high aspirations - students who are deeply invested in learning, and who can help create a culture of excellence and achievement. And we want more students who will persevere all the way to the goal line, and complete their degrees. That is what attainment is all about.

Attainment should be rooted first in common core standards. Missouri must align its K-12 curriculum with college entrance standards in order to increase the likelihood that students graduating from high school will succeed at college.

I support, and Missouri has now adopted, the Common Core Standards. I expect us to move forward swiftly with their implementation.

These standards are rigorous and set high expectations. When more dedicated teachers in Missouri's classrooms implement them, more students will be up-to-speed and prepared for college.

In addition, we need to make sure more students in 2- and 4-year colleges and universities stay in school, make steady progress toward graduation, and earn their degrees.

Currently, only about 37 percent of the young adults in Missouri hold a post-secondary degree.

That puts us slightly below average among our Midwestern peers.

Earlier today, you heard Dewayne Matthews talk about Lumina's "Big Goal" of 60 percent by two thousand twenty five.

Similar goals are being set by business and industry and, most recently, by the National Governor's Association with its "Complete to Compete" agenda.

If Missouri expects to compete in a global economy, we can - and we must - do better.

Meeting the national goal of 60 percent by 2020 will take extraordinary determination and creativity by all of us.

Second: a statewide review of all academic programs.

In 2009, the number of new academic programs launched at our public institutions outpaced discontinued programs by a ratio of five to one.

While some of these new programs were, no doubt, good additions, the pace of growth - especially in this economy - is simply unsustainable.

We must take a hard and unsentimental look at all academic programs, and cull those that are of low productivity, low priority, or duplicative.

We simply cannot afford the luxury of supporting programs that are not connected strategically to state needs and priorities.

Likewise, this is a time when we have to decide how best to focus institutional missions rather than expand them.

You've all heard the term "mission creep." The ambition for institutions to enlarge their missions is understandable, but it is just not viable in the long run.

I believe that the productivity of Missouri higher education will be strengthened by supporting institutions that deliver improved performance on clear, distinct missions, rather than by allowing institutional missions to "creep" in undisciplined ways.

At the same time we scrutinize programs that may not be sufficiently productive to continue, we need to identify areas where academic expansion makes sense strategically and financially.

The Missouri Department of Economic Development is working with a statewide team of leaders in education, business, and industry to create a 5-year-plan for economic growth.

I anticipate that this plan will recommend a number of academic areas - at two-year, four-year, and graduate levels - where Missouri must increase degree opportunities in order to prepare the workforce that will be essential for the state's economic success.

My support for Caring for Missourians and Training for Tomorrow - two programs created to meet industry-specific needs for a skilled workforce in life sciences and technology - are prime examples of the strategic investments that I know we will need to continue.

This academic review process is already underway at some of your institutions, and I appreciate the rigor you are bringing to this undertaking.

I have instructed the Missouri Department of Higher Education to collaborate closely with your institutions to develop and conduct a state-wide, systematic review of all degree programs at our public institutions.

This review will be informed and guided by existing policy, established by the Coordinating Board for Higher Education, which stipulates the minimum criteria for "critical mass" for degree programs.

I've also discussed the parameters of this review with David Russell and Mike Nietzel and have told them that I expect a report from CBHE to be submitted to me and the General Assembly by February first of 2011.

Third: Increased cooperation and collaboration.

This initiative has two facets: administrative and academic.

Let's talk about the easier one first.

Administrative efficiencies.

I want each of your institutions to prepare a list of administrative services that could be provided more cheaply and efficiently through outsourcing, shared delivery, or other means.

If there are more efficient and less expensive ways to run the business side of your institutions, you need to get those in place as soon as possible.

Sharing best practices will allow us to get more savings faster system-wide.

Now the harder one: **Academic programs.**

This will start with an inventory of existing cooperative and collaborative academic programs in all our state institutions.

Then we must take a critical and clear-eyed look at the performance of these academic programs, to see whether they are actually meeting the goals set for them when they were launched.

Following this, I want your recommendations on how best to expand, improve, or discontinue these collaborations in order to serve students better and meet academic goals.

I anticipate that your lists of collaborative programs will be lengthy, and may pleasantly surprise a lot of people. Because, candidly, your institutions have been too modest about the strides you have already taken in this area; share the good news.

Still, there is much more that can be and needs to be done. For example:

- Sharing faculty;
- Expanding the use of early college opportunities, like dual credit and Advanced Placement;
- One-year associate degrees and three-year bachelor's degrees;
- Statewide virtual or on-line delivery of selected degree programs;
- Shared or consolidated low-enrollment degree programs across multiple institutions;
- Shared libraries; equipment and core research facilities.

Earlier today you heard from Carol Twigg. Her pioneering work on course redesign resulted in both improved student performance and cost savings when it was implemented at UMSL, the University of Iowa, Virginia Tech, Carnegie Mellon, and a large number of community colleges across the nation.

I think it has great potential, and should be studied carefully for possible applications across Missouri.

And finally, number four, funding.

We need a robust and realistic discussion of how we plan to fund higher education going forward.

Our institutions need a multi-year, sustainable funding model that strikes the right balance among state budget appropriations, tuition and cost reductions.

That will make your budgeting process less crisis-driven, and your funding levels more predictable.

As part of this discussion, we must begin to consider the revised funding formula that many of you were involved in developing, which was approved by CBHE in 2008.

I understand that this funding model prioritizes three components:

- 1. A new approach to core funding;
- 2. Strategic initiatives, such as Caring for Missourians; and
- 3. Performance funding.

This model departed from the business as usual approach of across-the-board funding changes. No doubt, in light of the major economic changes we have experienced, it will need a second look and possible revision. For example, I believe it needs to put more emphasis on specific institutional missions and performance and less on existing costs.

In our rapidly changing society, on our ever-shrinking planet, education is a high-stakes enterprise.

We are competing in a global marketplace of ideas and goods.

The jobs and industries of the future will demand more highly skilled workers than ever before.

Already, Missouri continues to see steady growth in the number of jobs requiring a bachelor's degree or better in science and technology. We cannot afford to fall behind other states - and other nations - in the number of degreed students who are ready to work in these key sectors of our economy.

Quite simply, the future demands that we deliver a smart, sustainable and forward-looking public agenda for higher education.

When you leave here tonight, I want you to know that I am fully committed to working with you - and with the Legislature - to find solutions that will serve your institutions well in the short run, and strengthen higher education in our state for many years to come.

I am an optimist by nature; always have been, always will be. But my optimism isn't unfounded.

It's based in my confidence in you. You were called to this summit because you're the A-team. There is no group anywhere who knows more, or cares more, about higher education than you do.

Each one of you brings experience and ideas that are invaluable to this critical endeavor. Whether you are a college president, a provost, an administrator or a board member, your knowledge and insight will make this partnership a success.

We have our work cut out for us. Some of these initiatives can begin almost immediately; others will take more planning and time.

Because I want to stay well-informed about your progress, I am instructing the Coordinating Board of Higher Education to provide me with monthly updates on the process and implementation of the four key areas I have identified tonight.

I will rely on David Russell and Mike Nietzel to brief me about these status reports, and I expect to see significant progress in each area over the next year.

You won't be on your own.

This is partnership in every sense of the word. I will bring to bear all the resources of my office, my administration, legislators, the business community and the state as a whole to inform this process and make real progress.

Because when we look back at this summit, I want it to mark a turning point, a defining moment.

Yes, I want it to be remembered as the time Missouri's leaders in higher education met serious fiscal challenges with discipline and ingenuity.

But I also want it to be the moment when the leaders in higher education took to heart the old adage: "Fortune befriends the bold."

This is the time for **bold** thinking and **bold** action.

Tonight, I am giving you a **bold** new charge.

We must ensure that missions of Missouri's colleges and universities are focused, and that these institutions are driving forward to meet the changing needs of our students, our state and our world.

How well we carry out that mission will determine how well-prepared Missouri students are to compete for the jobs of the 21st Century... and to become successful community leaders and global citizens.

I have great confidence in your ability to meet and surmount the challenges that lie ahead of us, and I look forward to a strong and productive partnership.